



United States Department
of Agriculture

National Agricultural
Statistics Service

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SPECIAL DAIRY REPORT

Pennsylvania Dept. of Agriculture

Pennsylvania Milk Marketing Board

Released: April 2000 (1st Quarter)
01

Quarterly - 2000

Vol. 00 No.

Highlights: Pennsylvania wholesale milk prices for the 12-month period March 1999-February 2000 averaged \$14.95 per hundredweight, which was 9.5 percent below the same time period a year earlier.

Production costs averaged \$13.51 per hundredweight of milk for the 12-month period ended March 31, 2000. This is 1.9 percent more than production costs a year ago.

Information is made possible by the voluntary cooperation of Pennsylvania dairy farmers. Questionnaires are mailed to a representative sample of dairy farmers on a monthly basis. Additional reports are obtained by telephone, as needed, to supplement the mail response. Data on production costs and wholesale milk prices are tabulated using responses from commercial dairy farms. A commercial dairy farm is defined as a farm with 10 or more milk cows.

Table 1: Cost of Producing Milk, Average for Commercial Dairy Farms,
By Milkshed, Specified Periods, Pennsylvania, 1998-2000¹

One Year Average Ending:	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
	<i>Dollars Per 100 Pounds of Milk</i>											
March 31	15.43	14.95	14.35	14.75	13.89	14.08	13.78	12.70	13.08	14.29	13.26	13.51
June 30	15.15	14.85		14.36	14.02		13.44	12.58		13.91	13.24	
September 30	15.18	14.44		14.19	13.87		13.18	12.65		13.72	13.17	
December 31	15.09	14.55		14.20	14.01		12.94	12.78		13.53	13.33	

¹ These estimates of the cost of producing milk do not include any returns (costs) for management or equity capital. Neither do they include any possible changes in inventory values of either capital or non-capital assets or liabilities not otherwise accounted for by reported depreciation. Estimates of returns to (costs of) unpaid owner-operator labor and other unpaid family labor are included. Government assessments or deductions for various purposes are **not included** in the estimates of costs that are reported here. (See footnote 1 to Table 2, below.) For a further description of the procedures used to estimate these costs, refer to *Revised Procedures Used by the Pennsylvania Agricultural Statistics Service to Estimate the Cost of Producing Milk*, by Blair J. Smith, Stephen A. Ford, Bradley D. Parks, and Reid S. Miller, A.E. & R.S. 237, The Pennsylvania State University, August 1992.

Table 2: Wholesale Milk Price, Average Price Reported By Commercial Dairy Farmers, 1998-2000¹

Month	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
	<i>Dollars Per 100 Pounds of Milk</i>											
January	15.92	18.81	13.52	15.44	18.56	13.41	15.40	18.71	13.66	15.50	18.70	13.60
February	15.80	17.88	13.12	15.47	17.19	13.07	15.73	17.66	13.40	15.70	17.60	13.30
March	15.61	17.68		15.33	17.23		15.68	17.11		15.60	17.20	
April	15.41	13.42		14.88	13.23		15.52	13.30		15.40	13.30	
May	14.47	14.29		13.68	13.78		14.44	13.99		14.30	14.00	
June	14.36	14.38		14.26	14.12		14.77	14.63		14.60	14.50	
July	14.01	14.62		14.02	14.62		14.00	14.59		14.00	14.60	
August	16.08	14.83		15.53	15.28		15.79	14.94		15.80	15.00	
September	17.17	16.28		17.12	16.73		17.40	16.49		17.30	16.50	
October	18.23	16.65		17.87	16.34		18.28	16.96		18.20	16.80	
November	17.97	17.07		18.18	16.72		18.25	17.21		18.20	17.10	
December	19.23	13.13		18.95	13.27		18.20	13.66		18.50	13.50	
Annual	16.19	15.75		15.89	15.59		16.12	15.77		16.09	15.73	

¹ These estimates of the wholesale milk price do include whatever government assessments or deductions are in effect at any given time. Thus, one may think of costs as being understated, or prices as being overstated, by the sum of whatever government deductions and assessments happen to be in effect in the month or quarter of interest. At the same time, however, any refunds the farmer may later obtain are not included in returns as an offset to such assessments or deductions.

Table 3: Cost of Producing Milk, As Reported By Commercial Dairy Farmers, By Milkshed, 1999 & 2000¹

Item	Pittsburgh		New York		Philadelphia		State	
	1999	2000	1999	2000	1999	2000	1999	2000
<i>Dollars Per Cwt. of Milk Shipped</i>								
Cost of Purchased Feed:								
January	2.905	2.662	3.280	3.146	2.409	2.727	2.650	2.813
February	2.735	2.768	3.566	3.330	2.245	2.542	2.581	2.708
March	3.164	2.406	3.297	3.288	2.581	3.131	2.795	3.048
Cost of Fertilizer & Lime:								
January	0.082	0.426	0.170	0.350	0.170	0.188	0.157	0.258
February	0.270	0.097	0.049	0.094	0.098	0.221	0.114	0.181
March	0.295	0.537	0.194	0.176	0.466	0.320	0.397	0.325
Cost of Farm Fuels & Lubricants:								
January	0.203	0.297	0.252	0.201	0.152	0.151	0.178	0.183
February	0.241	0.179	0.228	0.276	0.120	0.196	0.155	0.207
March	0.373	0.298	0.301	0.291	0.214	0.242	0.251	0.260
Cost of Dairy Animals Purchased:								
January	0.049	0.081	0.326	0.168	0.220	0.179	0.212	0.163
February	0.252	0.194	0.132	0.039	0.140	0.127	0.154	0.120
March	0.511	0.050	0.349	0.277	0.387	0.211	0.398	0.198
Cost of Hauling:								
January	0.573	0.622	0.366	0.372	0.609	0.630	0.561	0.580
February	0.636	0.667	0.437	0.613	0.655	0.714	0.615	0.690
March	0.617	0.568	0.386	0.851	0.623	0.685	0.580	0.699
Interest Paid on Indebtness:								
January	0.448	0.215	0.435	0.310	0.395	0.381	0.413	0.349
February	0.428	0.208	0.440	0.315	0.393	0.393	0.408	0.353
March	0.437	0.200	0.414	0.303	0.385	0.375	0.400	0.338
Depreciation:								
January	0.822	0.762	0.543	0.809	0.549	0.678	0.594	0.715
February	0.786	0.738	0.550	0.824	0.545	0.699	0.587	0.722
March	0.803	0.710	0.518	0.791	0.534	0.668	0.576	0.692
Value of Unpaid Family Labor:								
January	3.004	3.310	2.495	2.500	1.988	2.417	2.248	2.552
February	3.619	3.636	2.614	2.514	1.964	2.188	2.365	2.423
March	4.138	2.959	3.119	2.480	2.016	2.300	2.431	2.447
Cost of Hired Labor:								
January	0.630	0.789	0.629	0.797	0.536	0.621	0.569	0.691
February	0.896	0.679	0.784	0.836	0.934	0.830	0.912	0.806
March	0.840	0.661	0.663	0.637	0.707	0.819	0.721	0.754
Other Costs:								
January	4.433	4.731	4.296	4.536	4.287	4.550	4.332	4.594
February	4.238	4.583	4.352	4.618	4.257	4.691	4.279	4.640
March	4.330	4.408	4.097	4.437	4.171	4.482	4.199	4.448
Total Costs:								
January	13.15	13.89	12.79	13.19	11.32	12.52	11.91	12.90
February	14.10	13.75	13.15	13.46	11.35	12.60	12.17	12.85
March	15.51	12.80	13.34	13.53	12.08	13.23	12.75	13.21

¹ All costs listed apply to milk only. Adjustments for other farm crop or livestock enterprises, and for sales of dairy livestock (surplus and cull cows, heifers, and calves), have already been made.

Table 4: Milk Cows & Milk Production, By Months, 1997-2000, Revised ¹

Milkshed Area	Number of Milk Cows ²				Average Production Per Cow				Total Milk Produced ³			
	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000
	(000)				Pounds				Million Pounds			
<i>Pittsburgh</i>												
January	127	124	123	123	1,260	1,350	1,360	1,440	160	167	167	177
February	127	125	125	123	1,185	1,230	1,255	1,395	149	154	157	172
March	126	126	124	125	1,380	1,380	1,480	1,570	174	174	184	196
April	126	126	122		1,320	1,410	1,470		166	178	179	
May	127	124	121		1,350	1,440	1,520		171	179	184	
June	127	125	122		1,295	1,300	1,425		164	163	174	
July	127	124	121		1,300	1,310	1,400		165	162	169	
August	125	124	121		1,295	1,270	1,380		162	157	167	
September	124	125	121		1,250	1,290	1,340		155	161	162	
October	126	124	122		1,280	1,250	1,375		161	155	168	
November	126	125	123		1,200	1,210	1,350		151	151	166	
December	126	124	123		1,285	1,270	1,410		162	157	173	
Total or Average	126	125	122		15,400	15,710	16,765		1,940	1,958	2,050	
<i>New York</i>												
January	122	121	117	116	1,360	1,380	1,340	1,455	166	167	157	169
February	122	120	115	116	1,205	1,230	1,260	1,405	146	148	145	163
March	123	121	116	117	1,320	1,430	1,470	1,550	162	173	171	181
April	121	119	116		1,395	1,440	1,450		169	171	168	
May	121	119	115		1,445	1,410	1,510		175	168	174	
June	120	119	115		1,380	1,300	1,410		166	155	162	
July	121	118	115		1,330	1,330	1,385		161	157	159	
August	122	119	116		1,260	1,290	1,370		154	154	159	
September	120	119	118		1,250	1,255	1,335		150	149	158	
October	120	119	116		1,340	1,250	1,375		161	149	160	
November	120	118	117		1,220	1,210	1,350		146	143	158	
December	120	117	117		1,300	1,260	1,410		156	147	165	
Total or Average	121	119	116		15,805	15,785	16,665		1,912	1,881	1,936	
<i>Philadelphia</i>												
January	383	380	377	379	1,460	1,580	1,555	1,565	559	600	586	592
February	383	380	375	378	1,400	1,450	1,450	1,520	536	551	544	575
March	382	377	374	376	1,550	1,620	1,620	1,660	592	611	606	624
April	384	379	377		1,510	1,600	1,600		580	606	603	
May	382	380	379		1,560	1,630	1,660		596	619	629	
June	382	379	377		1,490	1,520	1,545		569	576	582	
July	380	381	378		1,490	1,550	1,520		566	591	575	
August	380	380	378		1,495	1,535	1,505		568	583	569	
September	383	379	377		1,430	1,450	1,465		548	550	552	
October	380	378	379		1,475	1,520	1,495		561	575	567	
November	379	377	378		1,475	1,490	1,465		559	562	554	
December	379	378	379		1,520	1,545	1,525		576	584	578	
Total or Average	381	379	377		17,855	18,490	18,405		6,810	7,008	6,945	
<i>State</i>												
January	632	625	617	617	1,400	1,495	1,475	1,520	885	934	910	938
February	632	625	615	617	1,315	1,365	1,375	1,475	831	853	846	910
March	631	624	614	618	1,470	1,535	1,565	1,620	928	958	961	1,001
April	631	624	615		1,450	1,530	1,545		915	955	950	
May	630	623	615		1,495	1,550	1,605		942	966	987	
June	629	623	614		1,430	1,435	1,495		899	894	918	
July	628	623	614		1,420	1,460	1,470		892	910	903	
August	627	623	615		1,410	1,435	1,455		884	894	895	
September	627	623	616		1,360	1,380	1,415		853	860	872	
October	626	621	617		1,410	1,415	1,450		883	879	895	
November	625	620	618		1,370	1,380	1,420		856	856	878	
December	625	619	619		1,430	1,435	1,480		894	888	916	
Total or Average	629	623	616		16,960	17,415	17,750		10,662	10,847	10,931	

¹ Refers to all Pennsylvania farms including herds with 1-9 cows. Totals may not add due to rounding. ² Includes dry cows. Excludes heifers not yet fresh. ³ Excludes milk sucked by calves.

Milk Production Highlights

Milk production in **Pennsylvania** during the first quarter of 2000 totaled 2.85 billion pounds, up 5.0 percent from the comparable period last year. Milk production per cow for the quarter totaled 4,618 pounds, 201 pounds above the first quarter of 1999. Total milk cows averaged 617,000 head during the quarter, 2,000 head above the corresponding period in 1999.

Milk production in the **United States** during the January-March quarter totaled 42.6 billion pounds, 5.1 percent above the comparable period in 1999. Milk production per cow for the first quarter totaled 4,637 pounds, up 200 pounds from the first quarter of 1999. Total milk cows in the United States averaged 9.19 million head during the quarter, 61,000 head above the corresponding period in 1999.

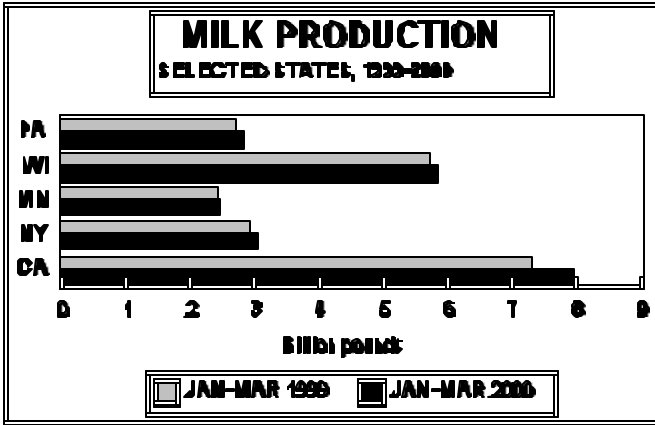


Table 5: Milk Production,
Selected States, 1999-2000

State	Jan-Mar 1999	Jan-Mar 2000	2000 as a % of 1999
<i>Million Pounds</i>			
Pennsylvania	2,717	2,849	105
Wisconsin	5,713	5,859	103
Minnesota	2,420	2,481	103
New York	2,967	3,038	102
California	7,296	7,989	109
United States	40,505	42,591	105

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